

LOUIS GILBERT & ASSOCIATES, INC.
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January 22, 2007

Honorable James H. Welsh
Commissioner of Conservation
P.O. Box 94275, Capitol Station
Baton Rouge, Louisiana 70804-9275

RE: Application Notice
Upper Wilcox Zone, Reservoir D
PORT HUDSON FIELD
East Baton Rouge Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Flash Gas & Oil Southwest, Inc. ("Flash") for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating the Upper Wilcox Zone, Reservoir D, in the Port Hudson Field, East Baton Rouge Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of oil and gas.
2. To create a single drilling and production unit for the exploration for and production of oil and gas.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
4. To provide that any future wells drilled to the Upper Wilcox Zone, Reservoir D, should be in compliance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner of Conservation should be authorized to reclassify the Reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
6. To consider such other matters as may be pertinent.

The Upper Wilcox Zone, Reservoir D, in the Port Hudson Field, is hereby defined as being that oil and gas bearing zone encountered between the depths of 10,038' and 10,325' (electrical log measurements) in the Flash Gas & Oil Southwest, Inc. - Pennington No. 1 (WSN 229775), located in Section 46, Township 5 South, Range 2 West, East Baton Rouge Parish, Louisiana.

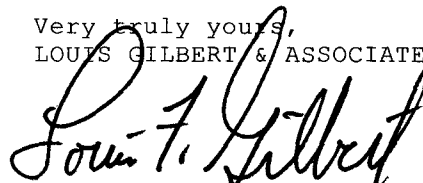
A conference to discuss the proposed application and any opposition thereto **was not** called and therefore, the conference tentatively scheduled for January 23, 2007, **WILL NOT BE HELD.**

All pertinent data relating to the subject application is available for inspection at the Offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should contact the undersigned at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is not otherwise available from the Office of Conservation can be obtained at the expense of the requesting party.

There is attached hereto and made a part hereof, a plat outlining the proposed unit and a list of names and addresses of the Interested Parties, Interested Owners and Represented Parties to whom this notice is being sent. Pursuant to the Revised Rules of Procedure, such list of Parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The aforementioned list is available upon request to any Interested Party. A reasonable effort was made to ascertain the names and addresses of all Interested Parties, Interested Owners and Represented Parties as required by the Revised Rules of Procedure.

Finally, enclosed is our check made payable to the Office of Conservation on behalf of the applicant representing the hearing application fee.

Very truly yours,
LOUIS GILBERT & ASSOCIATES, INC.



Louis F. Gilbert

cc: Mr. Richard Hudson (w/enclosures)
Office of Conservation

Mr. Fred Litchliter
Flash Gas & Oil Southwest, Inc.

Interested Parties, Interested Owners
and Represented Parties (w/plat)

